

CH2M Hill Companies Case Study

US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: CH2M Hill Companies, LTD. 9191 South Jamaica, Englewood, CO 80112
PARTNER VAD NAME: N/A

SECTION I

HQAPP Request

1. Worst Case

2. Price hold

3. Worst Case

4. Price hold

5. Worst Case

6. Price hold

7. Worst Case

8. Price hold

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47. Worst Case

48. Price hold

49. Worst Case

50. Price hold

Support Options/Holds	5yr Flatline worst case, 5yr best case, Granted in 1996 Settlement
Price Holds	5yr worst case, 5yr best case, F-Bus Suite, Address & Technology
List License	\$12,217,000
List Support	\$2,643,710
List Comp & Admin	N/A
Net License	\$1,110,950 or 80% Worst case: \$1,711,800 or 75% Best case
Net Support	\$698,987 or 80% Worst case: \$1,801,174 or 75% Best case
Net Comp & Admin	N/A
Net Total Price	\$1,779,937 or 80% Worst case: \$2,512,974 or 75% Best case
Price Last Used	November 27, 2002

OR

Flatline

1. Worst Case

2. Price hold

3. Worst Case

4. Price hold

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36. Price hold

37. Worst Case

38. Price hold

39. Worst Case

40. Price hold

Customer History - Existing Price Holds

Existing contractual discount (price hold)	N/A
Date of Price Last for price hold	N/A
When does price hold expire?	N/A
Price hold program categories (database, server, emp, ctm, hr/payroll, app suite)	N/A
Name of Agreement if applicable	N/A

SECTION III - Justification:

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CH2M Hill has a long history with Oracle dating back to November, 1993. The first deal they signed was for \$1,299,333 in net L. Total spend on net application over the years was \$1,136,056 (\$1,299,333 in 1993, \$17,064 in 1995, \$53,526 in 1995, \$71,143 in 2002). The current support stream for migrated licenses is \$342,328. CH2M Hill helped Oracle as a development partner for the Oracle Projects Module as the main part of that contract. 3000 Users. In October of 1996 we entered into a Settlement agreement because of a disagreement between our two companies regarding the implementation and performance of Oracle Licensed Programs. This Settlement left CH2M Hill with a bad taste in their mouth regarding Oracle and stopped all activity with our company. After several years the sales team in late 1999 initiated a surprise audit of CH2M Hill that almost resulted in another lawsuit. The result of the audit was an additional net L of \$361,866 in database. Along the way dating back to 1993 there are several mistakes in our contracts and processes that have resulted in numerous errors in their install base information and metrics. This has led to a great deal of confusion and a lack of trust in Oracle at CH2M Hill. At the beginning of 2002 CH2M Hill started a new sales cycle to replace their current HRMS system. We have been competing against PeopleSoft in a head to head competition. The HRMS decision and resulting contracts are scheduled to be done by the end of December. During this RFP cycle, we have gained the trust and confidence of the executives and were asked to review all of their current licenses. That review has resulted in an increase in demand above the current amount of licenses. If we can combine this additional demand with the HRMS requirements we can position Oracle and possibly the F-Business Suite as the solution of choice against PeopleSoft and turn this account around from a checkered past. All of the discounts and concessions are required to win against PeopleSoft and to accommodate the errors, mistakes, Settlements, and bad blood from the past. The F-Business Suite is a result of combining the two separate projects of HRMS and additional licenses to support growth. The HRMS quote with technology was a net L of \$1,362,650 and \$321,784 Support at a 65% discount and the additional users were \$616,000 net L and \$142,318 Support. The F-Business Suite is the better deal for the customer.

Recommendation: (Leave blank for HQAPP to fill out)

Submitted By: John Long, Roomey, Welton

Field RM name if submitted by ISD

“We have been competing against PeopleSoft in a head to head competition.”

“During this RFP cycle, we have gained the trust and confidence of the executives and were asked to review all of their current licenses.”

“All of the discounts and concession are required to win against PeopleSoft and to [accommodate] the errors, mistakes, Settlements, and bad blood from the past.”

US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: CH2M Hill Companies, LTD, 9191 South Jamaica, Englewood, CO 80112
PARTNER/VAD NAME: N/A

SECTION I - Approval Requests:

HQAPP Requests:

1. Worst case discount on all products listed at 80%, 75% best case (draft contract at that level)
2. Price hold for 5 years worst case, 3 years best case for E-Business Suite, Add-Ons, & Technology. Price hold will match final discount offered to customer not to exceed #1.
3. a) Waive named user plus minimum of 25 per CPU because change happened after original quote at the beginning of the quarter. Customer will honor 10 named users per CPU and would like it to be included in a Grandfather clause for price protection.

OR

- b) Use old NU definition with the old minimums. They are not using batch processing.
4. Waive migration ratio (1:1) on 3000 Project Accounting Users to Professional Users in the E-Business Suite because CH2M Hill paid \$269 per User in 1993 to be a development partner with Oracle. They have never used more than 500 users and at today's street price of \$1198 it would be less than 673 users. ($\$1198 / \$807,000 = 673$). Note all of the users will be migrated to the E-Business Suite and we will not have to terminate any remaining users. Using credit for net fees paid and license # of actual users. *** Revrec has reviewed, no issue, see attached e-mail.
5. Flatline support for 5 years worst case, 3 years best case. CH2M Hill was granted 5 years of price holds for Support in a legal settlement in October 1996.

TIER 1 Requests: none

TIER 2/3 Requests:

6. Credit Approval
7. OFD Financing for 36 months

Previously approved requests (include date of approval):

John Hall Requests: Victor Miller submitted approval for EPPC last month. (Ken Hamel)

8. Grant customer the same discount on EPPC for 1 year.
9. Worst case discount of 35%, best case 30% for education, \$200k list.

SECTION II – Deal Summary:

Deal Summary	
Programs	E-Bus Suite, Payroll, Time & Labor, iLearning, EE, Partitioning, iAS, IDS Configuration attached, CH2M Hill E-Business Suite 11-12V1.xls
License Discount	80% (ebiz + 55%) Worst, Draft at 75%
Support Discount	80 % (ebiz + 55%) Worst, Draft at 75%
Comp & Admin Discount	N/A
Phased Implementation for Comp & Admin?	See checklist below and forward a spreadsheet to NASINFO/OGEHINFO and Priscilla Morgan for review.

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Support Options/Holds	5yr Flatline worst case, 3yr best case, Granted in 1996 Settlement
Price Holds	5yr worst case, 3 yr best case E-Bus Suite, Add-ons, & Technology
List License	\$12,017,000
List Support	\$ 2,643,740
List Comp & Admin	N/A
Net License	\$1,110,950 @ 80% Worst case, \$1,711,800 @ 75% Best case
Net Support	\$ 668,987 @ 80% Worst case, \$ 801,174 @ 75% Best case
Net Comp & Admin	N/A
Net Total Price	\$1,779,937 @80% Worst case, \$2,512,974 @ 75% Best case
Price List Used	November 7 th 2002

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	%N/A
Date of Price List for price hold	N/A
When does price hold expire?	N/A
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	N/A
Name of Agreement if applicable	N/A

SECTION III - Justification:

CH2M Hill has a long history with Oracle dating back to November 1993. The first deal they signed was for \$1,299,333 in net L. Total spend on net application over the years was \$1,436,056 (\$1,299,333 in 1993, \$12,064 in 1995, \$53,526 in 1995, \$71,143 in 2002). The current support stream for migrated licenses is \$342,328. CH2M Hill helped Oracle as a development partner for the Oracle Projects Module as the main part of that contract, 3000 Users. In October of 1996 we entered into a Settlement agreement because of a disagreement between our two companies regarding the implementation and performance of Oracle Licensed Programs. This Settlement left CH2M Hill with a bad taste in their mouth regarding Oracle and stopped all activity with our company. After several years the sales team in late 1999 initiated a surprise audit of CH2M Hill that almost resulted in another lawsuit. The result of the audit was an additional net L of \$361,866 in database. Along the way dating back to 1993 there are several mistakes in our contracts and processes that have resulted in numerous errors in their install base information and metrics. This has lead to a great deal of confusion and a lack of trust in Oracle at CH2M Hill. At the beginning of 2002 CH2M Hill started a new sales cycle to replace their current HRMS system. We have been competing against PeopleSoft in a head to head competition. The HRMS decision and resulting contracts are scheduled to be done by the end of December. During this RFP cycle, we have gained the trust and confidence of the executives and were asked to review all of their current licenses. That review has resulted in an increase in demand above the current amount of licenses. If we can combine this additional demand with the HRMS requirements we can position Oracle and possible the E-Business Suite as the solution of choice against PeopleSoft and turn this account around from a checkered past. All of the discounts and concession are required to win against PeopleSoft and to accomodate the errors, mistakes, Settlements, and bad blood from the past. The E-Business Suite is a result of combining the two separate projects of HRMS and additional licenses to support growth. The HRMS quote with technology was a net L of \$1,462,650 and \$ 321,784 Support at a 65% discount and the additional users were \$646,900 net L and \$142,318 Support. The E-Business Suite is the better deal for the customer.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: JohnLong, Rooney, Wellen

Field RM name if submitted by iSD:

R: *(leave blank for HQAPP to fill out)*

C:

L:

A:

BP:

**PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW
WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION
(SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.**

SECTION V – Ordering Document Details**Instructions - Fill in all sections completely.****APPROVAL REQUIREMENTS** - Refer to the Approval Matrix at <http://esource.oraclecorp.com>**PRICING REQUIREMENTS** – Refer to Price List and Price List Supplement for minimums and prerequisites.**PRICING SPREADSHEET** – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.**MIGRATIONS** - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to <http://nafo.us.oracle.com> under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.**Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.**

General Information	
Contract requested by (insert date): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	November 18 th 2002
Opportunity I.D. (OSO Number):	908368 & 807234
Is this a ship order?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does deal contain new licenses with an <i>approved</i> non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	<input type="checkbox"/> Yes (specify non-supported license type and eBusiness license type used to determine conversion) <input checked="" type="checkbox"/> No
Quote Valid Through (insert date):	December 31 st 2002
Partner (insert name, if applicable)? N/A	Margin or % of net license fees _____
VAD (insert name, if applicable)? N/A	Margin or % of net license fees _____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, specify payment type:	<input type="checkbox"/> Applications Affiliate Fee <input type="checkbox"/> ROP Fee (GB Use Only)
MIGRATIONS OR UPDATES:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PREMIUM SERVICES:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
INCIDENT PACKS:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Payment Terms:	<input type="checkbox"/> Net 30 <input checked="" type="checkbox"/> Other (Specify) OFD 36 months
Referenced Agreement:	<input type="checkbox"/> New OLSA <input checked="" type="checkbox"/> Other (Specify) SLSA 10083-11-Nov-93

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	CH2M HILL Companies, LTD
Business Address:	9191 South Jamaica
City / State / Zip:	Englewood, CO 80112
Customer Contract Admin:	Erin Wallace
Phone #:	720-286-2537
Fax #:	720-286-9250
E-mail ID:	ewallace@ch2m.com
Billing Contact:	
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ____ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt XX
Shipping Contact:	Jim Butt
Address:	9191 South Jamaica
City / State / Zip:	Englewood, CO 80112
Phone #:	720-286-2353
Fax #:	720-286-9250
E-mail ID:	jbutt@ch2m.com
Technical Support Contact:	Jim Butt
Address:	9191 South Jamaica
City / State / Zip:	Englewood, CO 80112
Phone #:	720-286-2353
Fax #:	720-286-9250
Email ID:	jbutt@ch2m.com
Partner Name (Indirect):	
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	\$ 200,000 list
Education Discount:	35 % Worst case, 30% Best case
Education Revenue:	\$ 130,000 Worst case, \$140,000 Best case
Education Sales Rep:	Victor Miller

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:

Make: Compaq , Sparc

OS: Tru64, Solaris

PROGRAMS: All

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Applications	
Will applications be modified:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will users be accessing modified Apps from the web:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Have all prerequisites been included:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will users use Fast Forward RPM:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will applications be hosted:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indicate database that Apps will run on:	Oracle Database migrated & new
Indicate CSI for existing prerequisite database and tools:	3061296

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	Credit & OFD for financing 36 months
(2)	Attach definitions & general licensing terms
(3)	Net spend on applications is \$1,436,056 with a support stream of \$342,328 before upgrade fees applied
(4)	

Internal Administrative Information	
Applications Sales Manager	John Long
Technology Sales Manager	Dan Ingram
HRMS Sales Manager	Paul Shepardson
iSD Rep	Dan Haller & Warren Parti
Education Sales Rep	Victor Miller & MaryBeth Miller for iLearning
Support Renewals Rep	Open Position, Anna Connell Manager
Premium Support Rep	Jan Sturgeon
Migrations Manager	Leilani Hammock
Is there a teaming agreement?	<input type="checkbox"/> Yes (if yes, list all appropriate reps) <input checked="" type="checkbox"/> No
Requester:	Name: John Long, Denver Sales Office _____ Business Telephone: 720-330-2203 _____ Cell Phone: 719-332-9696